IN THE

Supreme Court of the United States

OCTOBER TERM, 1944

No. 1067

HORNI SIGNAL MANUFACTURING CORPORATION,
Petitioner,

v.

DAVID KATZ,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT AND BRIEF IN SUPPORT THEREOF

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To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, Horni Signal Manufacturing Corporation, respectfully prays for a writ of certiorari to the Circuit Court of Appeals for the Second Circuit, to review a decree of that court dated February 9, 1945 (R. 220). A certified transcript of the record in the case, including the proceedings in said Circuit Court of Appeals is furnished herewith in accordance with Rule 38 of this Court.

Summary Statement of the Matter Involved

The complaint was filed in this case by the respondent David Katz, charging infringement by the petitioner of United States Letters patent 1,992,214 issued to respond-

ent on February 25, 1935 (R. 2-3). An answer was filed by the petitioner denying infringement, asserting invalidity of the patent and setting up other defenses (R. 4-7).

The case was tried in the District Court for the Southern District of New York (Leibell, J.), resulting in the entry of a final judgment dismissing the complaint on the merits (R. 193). Respondent appealed and the Second Circuit Court of Appeals, in an opinion by Judge Frank dated November 15, 1944 and amended December 20, 1944, reversed the District Court and held the patent valid and infringed (R. 200-5).

The patent in suit relates to a detector for traffic signals. It is used in connection with the so-called "vehicle-actuated" signal in which the conventional crossing signal is changed from red to green by the approaching vehicle. It consists of nothing but a coil of wire placed near the roadway adjacent the intersection and in the path of the vehicle. The vehicle, being principally iron, induces an electric current in the coil and this current, through instrumentalities which form no part of the present invention, causes the signal light to change from green to red. There is nothing alleged to be new in the principle on which the device operates. It was old and well known many years prior to respondent's invention that relative movement of a magnet and a coil would create an electric current in the coil. It is the ancient Faraday law which is described in every standard text book on physics.*

Respondent's expert described the invention as follows (R. 22):

> "This invention deals with traffic detectors. The subject matter described here in this patent is relatively simple so far as the technical aspects are concerned. A coil is embedded in the ground or placed

* Electricity and Magnetism by Guillemin, McMillan & Co., New York, 1891, pp. 378-80.

> in proximity to a roadway, and a car passing in the vicinity causes electric current to be induced in the coil, and these coils, in turn, are used for operating a traffic light or a number of other devices mentioned in the first portion of the specification."

In a further description of the principle of operation he stated (R. 24-25):

> "Now, the patent in suit mentions the Faraday principle. Now, this principle deals with the induction of current in electric conductors by means of magnetic fields. Faraday discovered that when a permanent magnet, as I have just described, is approached by a coil, or if the magnet is moved from a coil, an electric current occurs in that coil. We call that principle the principle of induction, and the principle involved in the subject matter of this suit utilizes this same phenomenon."

The disclosure of the patent in suit is specific in two respects. Whereas most devices which function by the induction of a current in a coil depend upon movement of a magnet, and its magnetic field, with respect to the coil, respondent alleged that the induction of a current in the coil of his device results from disturbance of the earth's magnetic field by the passage of the iron body of the vehicle. Thus instead of creating a current by the movement of a magnetic field with respect to the coil, respondent alleges that the lines of force of the earth's magnetic field, which are always present in any locality, are distorted by the passage of the vehicle and that this distortion causes induction of the current in the coil.

The second respect in which the disclosure of the patent is specific is that the respondent uses a large coil extending approximately half way across the road to be certain that it will be straddled by the vehicle as the vehicle approaches the intersection. The District Judge summarized

the disclosure as follows (R. 176):

> "The patent specification taught only the use of a rectangular coil of large size and the various positions in which it could be placed—in, under, over or alongside the road."

The device charged to infringe consists of a compact coil having an outside diameter of approximately ¾", approximately 6¾" in length, with a core of five strips of "Mumetal" (R. 151). This device is placed beneath the roadway and relies upon the residual magnetism in the body of the vehicle to induce a current in it, just as in the classic Faraday experiment, as the vehicle passes over the coil (R. 63).

The Court of Appeals, in finding the patent infringed by petitioner's construction, disregarded the well established rule that the claims of a patent are to be read and interpreted in the light of the specification (*Hogg* v. *Emerson,* 11 How. 587; *Carnegie Steel Co.* v. *Cambria Iron Co.,* 185 U. S. 403; *Smith* v. *Snow,* 294 U. S. 1; *Schriber-Schroth Co.* v. *Cleveland Trust Co.,* 311 U. S. 211).

The Court of Appeals also failed to conform to Rule 52(a) Rules of Civil Procedure in setting aside the findings of the trial judge. He held (Findings 28, 29, R. 191) that the claims in suit were not infringed and there was substantial evidence in support of these findings.

The Court also disregarded limitations in the claims that the production of a current in the coil results from the disturbance of the earth's magnetic field. In doing so, the Court incorrectly applied the doctrine of *Diamond Rubber Co.* v. *Consolidated Tire Co.,* 220 U. S. 428, that it is immaterial whether the patentee correctly understands how his device operates.

The Court of Appeals, in holding the patent valid, also departed from established practice in not concluding that

the patentee had exercised merely the skill of the calling rather than the display of inventive genius. *Cuno Engineering Corp.* v. *Automatic Devices Corp.*, 314 U. S. 84, 91; *Altoona Publix Theatres* v. *American Tri-Ergon Corp.*, 294 U. S. 477, 486; *Atlantic Works* v. *Brady*, 107 U. S. 192, 200; *Hotchkiss* v. *Greenwood*, 11 How. 248, 264, 267.

Every *claimed* element of the patent in suit is disclosed in closely analogous prior art and every student of high school physics knows that movement of a magnet with respect to a coil will produce a current in the coil. The statement of the Court of Appeals that respondent's achievement is "a real invention unanticipated and commercially successful which satisfy the strictest standard employed by the Supreme Court" (R. 204) is clearly erroneous.

Jurisdiction

The jurisdiction of this Court is invoked under Section 240(a) of the Judicial Code as amended by the Act of February 13, 1925 (28 U. S. C., Section 347).

This is a suit arising under the patent laws of the United States, Judicial Code, Section 24(7) (28 U. S. C., Section 41).

The date of the judgment which petitioner seeks to have reviewed is February 9, 1945 (R. 220).

Questions Presented

1. Is a patent which discloses but one form of coil, a *large* rectangular loop covering one-half of the roadway, entitled to an interpretation which includes the small, totally different type of coil used by the petitioner;

(a) When the respondent disclaimed coils below a certain size by an affidavit filed during the prosecution of the application?

(b) When the trial judge, on the basis of such evidence, found that the patent is not infringed, is the Court of Appeals justified, in the light of rule 52(a) of the Rules of Civil Procedure, in not adopting such finding?

2. Whether or not a patentee who obtains a patent by asserting a method of operation, alleged to be different from that of a prior art patent, which method of operation is incorporated into the claims of the patent, can abandon it after the grant of the patent and rely upon the doctrine of this Court in the case of *Diamond Rubber Co.* v. *Consolidated Tire Co.,* 220 U. S. 428, to support his changed position?

3. Did the Court of Appeals properly apply the doctrine of this Court in *Atlantic Works* v. *Brady,* 107 U. S. 192 and *Cuno Engineering Corp.* v. *Automatic Devices,* 314 U. S. 84, when it disregarded prior art references showing the same construction in closely related arts?

4. Is the patentee entitled to broad patent protection on a traffic detector for automotive traffic, which is old, *per se,* in the railroad art merely because the body of an automobile contains sufficient residual magnetism to induce a current of sufficient strength in a coil to operate sensitive relays that were available at the time his application was filed?

Reasons Relied Upon for the Granting of the Writ

1. The Court of Appeals departed from established practice and failed to comply with the provisions of Rule 52(a) of the Rules of Civil Procedure in holding the claims of the patent in suit infringed by the totally different detector coil of the petitioner.

(a) In not accepting the findings of the trial judge based on the disclosure of the patent itself and the disclaimer contained in respondent's affidavit.

(b) In not applying the well established doctrine that the claims of a patent must be interpreted in the light of the specification on which they are based.

2. There is a direct conflict between the holding of the Court of Appeals that the patent here in suit is valid and the doctrine that the exercise of inventive genius is necessary to support the grant of a patent.

(a) In reaching its erroneous conclusion, the Court of Appeals incorrectly applied the doctrine of *Diamond Rubber Tire Co.* v. *Consolidated Tire Co., supra.*

3. Petitioner and respondent's licensee both have places of business located in the Second Circuit (R. 2 and 142) and are the only manufacturers of vehicle actuated traffic signals in this country. There is thus little likelihood of litigation arising in another circuit whereby conflict might occur as a basis for a petition to this Court.